

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of June 14, 2019 ("Effective Date"), by and among Premier Radio Stations, LLC, an Arizona limited liability company ("Seller"), and Futures & Options Inc., a Florida corporation ("Buyer," and collectively with Seller, "Parties").

### **WITNESSETH:**

**WHEREAS**, Seller owns and operates AM radio station KFNX(AM), 1100 kHz, Cave Creek, Arizona (Facility No. 9421) ("Station") pursuant to licenses, permits and authorizations issued by the Federal Communications Commission ("FCC").

**WHEREAS**, the majority member of Seller is subject to a Chapter 7 bankruptcy proceeding, Case No. 2:11-bk-27940-EPB ("Bankruptcy Case"), before the United States Bankruptcy Court for the District of Arizona ("Bankruptcy Court").

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire the assets as set forth in this Agreement owned or leased by Seller and used or held for use in connection with the operation of the Station.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which is acknowledged by the Parties, the Parties hereto, intending to be legally bound, hereby agree as follows:

### **ARTICLE 1 PURCHASE OF ASSETS**

**1.1 Transfer of Assets.** On the Closing Date (as hereinafter defined), subject to the provisions hereof, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and assume from Seller, the below-listed assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use in connection with the operation of the Station (collectively, "Assets");

(a) All licenses, permits and other authorizations, including pending applications with respect thereto, relating to the Station issued by the FCC on or prior to the Closing Date, as identified on Schedule 1.1(a) attached hereto ("FCC Licenses");

(b) All furniture, fixtures and equipment including, but not limited to, furniture, fixtures and equipment located at the Station's studio/office and tower sites, together with any additions thereto or replacements thereof made between the Effective Date and the Closing Date, and less any retirements or dispositions of old or obsolete assets made between the Effective Date and the Closing Date, including but not limited to property identified on Schedule 1.1(b) attached hereto ("Tangible Personal Property");

(c) Seller's right, title and interest in and to Seller's contracts, which contracts have been specifically identified on Schedule 1.1(c) hereto and which Buyer has specifically

agreed to assume ("Assumed Contracts");

(d) All of Seller's right, title and interest in and to the Station's intangible personal property, as described on Schedule 1.1(d) hereto ("Intellectual Property"); and

(e) All of Seller's business records and client lists.

**1.2 Excluded Assets.** Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Assets shall not include the following assets along with all right, title and interest therein ("Excluded Assets"):

(a) All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in financial institutions, and all accounts receivable generated by the Station prior to the Closing Date;

(b) All contracts or agreements to which Seller is a party that (i) have been terminated in accordance herewith, (ii) have expired prior to the Closing Date in the ordinary course of business, or (iii) Buyer has not specifically agreed to assume;

(c) Seller's organizational documents and any amendments thereto, operating agreements, minutes of meetings, and such other books and records relating to the organization, existence or capitalization of Seller;

(d) Contracts of insurance and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

(e) Any and all claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof, except claims with respect to obligations to be assumed by Buyer pursuant to **Section 1.5** hereof; and

(f) All pension, profit sharing plans and trusts and the assets thereof and any employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller.

**1.3 Allocation.** On or before the Closing Date, Seller and Buyer shall mutually determine an allocation of the Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended. If Buyer and Seller have not mutually agreed on an allocation prior to the Closing, and after Closing, the Parties cannot agree on an allocation of the Purchase Price, the Parties shall hire a certified public accountant or other professional experienced in the evaluation of broadcast properties to determine such allocation, which shall be binding on the Parties. The Parties shall mutually agree on such an appraiser and shall instruct the appraiser to deliver his report within thirty (30) days after Closing. Buyer and Seller shall each be responsible for one-half of the cost of such appraisal, not to exceed \$5,000.00 each.

**1.4 No Liens.** The Assets shall be transferred to Buyer free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, pledges or defects in title ("Liens"). The term "Permitted Liens" shall mean Liens for taxes not yet due and payable and those Liens listed on Schedule 1.4 that are associated with Seller or Seller's members of which Seller is aware, which will be released on or prior to the Closing Date.

**1.5 Assumed Liabilities.** Other than the assumed liabilities identified on Schedule 1.5 and the Assumed Contracts (collectively, "Assumed Liabilities"), Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of Seller. On the Closing Date, Buyer shall assume and undertake to pay, satisfy and discharge all of the liabilities and obligations of Seller arising or to be performed on or after the Closing Date under the Assumed Contracts, together with all other obligations incurred by Buyer in the operation of the Station on or after the Closing Date.

**1.6 Retained Liabilities.** Except as set forth in **Section 1.5** and Schedule 1.5, Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liability, obligation, commitment, undertaking, expense or agreement of Seller of any nature whatsoever, mortgage or other agreement for borrowed money, whether known or unknown or absolute or contingent. All of such liabilities and obligations shall be referred to herein collectively as the "Retained Liabilities." Without limiting the generality of the foregoing, it is understood and agreed that, except as expressly set forth herein, Buyer shall have no obligation to offer employment to any employee of Seller or the Station. Buyer shall have no liability with respect to any such employee or for any such employee's benefits of any kind or nature, including relating to taxes, wages, salaries, bonuses, accrued vacation or sick pay, except to the extent that Buyer shall offer employment to any such employee and then only from and after the time at which such offer shall have been extended by Buyer and accepted by such employee, and subject to the terms and conditions thereof.

## ARTICLE 2 CONSIDERATION

**2.1 Purchase Price.** The purchase price for the sale, assignment, transfer and conveyance of the Assets shall be Eight Hundred Thousand U.S. Dollars (\$800,000) ("Purchase Price"), payable as follows:

(a) Within two (2) business days after the Effective Date, Buyer will deliver Eighty Thousand Dollars (\$80,000) ("Earnest Money") to Arizona Escrow & Financial Corporation ("Escrow Agent") in cash via wire transfer from immediately-available funds;

(b) At the Closing (defined below), Buyer shall deliver to Escrow Agent Seven Hundred Twenty Thousand Dollars (\$720,000) by wire transfer or other immediately available funds, subject to any adjustments as set forth herein or as may be agreed to by Seller and Buyer;

(c) At the Closing, the Earnest Money shall be credited to Buyer and applied to the Purchase Price; and

(d) Escrow Agent shall distribute the Purchase Price, as adjusted, pursuant to the terms of the Bankruptcy Court's order.

**2.2 Earnest Money.** The disposition of the Earnest Money shall be governed by an Escrow Agreement ("Escrow Agreement") of even date herewith among Buyer, Seller and the Escrow Agent. If this Agreement is terminated by Seller pursuant to **Section 11.1(e)** hereof, the Earnest Money and any interest accrued thereon shall be disbursed to Seller. If this Agreement is

terminated for any other reason, the Earnest Money and any interest accrued thereon shall be disbursed to Buyer. The Parties shall each instruct the Escrow Agent to disburse the Earnest Money and all interest thereon to the party entitled thereto and shall not, by any act or omission, unreasonably delay or prevent any such disbursement. The Earnest Money shall be the sole and exclusive recourse of Seller for any breach of this Agreement by Buyer, except as otherwise set forth herein.

**2.3 Proration of Income and Expenses.** Buyer and Seller shall each pay one-half of the escrow fees. Except as otherwise provided herein, all income and expenses arising from Seller's ownership of the Assets to be conveyed hereunder shall be prorated between Buyer and Seller as of 12:01 a.m., Mountain time, on the Closing Date ("Adjustment Time"), on the basis that all income and expenses which accrue prior to the Adjustment Time are for the account of Seller, and all income and expenses which accrue after the Adjustment Time are for the account of Buyer. Such prorations shall include, without limitation, all rent, utility charges, business and license fees, music and other license fees currently paid by Seller, FCC regulatory fees, accrued but unpaid commissions and similar prepaid and deferred items attributable to the ownership of the Station or the Assets. All revenues, expenses, costs and liabilities earned or incurred in connection with particular programs and announcements shall be allocated to the time of performance of such programs and announcements without regard to the date of payment therefor. It is understood and agreed that all salaries, wages, sales commissions, fringe benefit accruals and termination or severance pay for employees of the Seller who are not hired by the Buyer shall be the sole responsibility of Seller, so long as Seller terminates such employees prior to the Closing.

**2.4 Preliminary Report.** At least five (5) business days prior to the Closing, Seller shall deliver to Buyer a report ("Preliminary Report") showing in reasonable detail the preliminary determination of the adjustments referred to in **Section 2.3**, each of which shall be calculated as of the Adjustment Time. Within two (2) business days after Buyer's receipt of such Preliminary Report, Buyer shall provide to Seller any material objections, if any, that it may have with respect to Seller's version of the Preliminary Report and provide an alternative Preliminary Report. The Preliminary Report (Seller's or, if delivered, Buyer's version) shall serve as the basis of any adjustments to the Purchase Price. Within twenty (20) days after the Closing Date, Buyer shall deliver to Seller a report ("Final Report") showing in reasonable detail: (a) Buyer's final determination of the proposed adjustments to the Purchase Price, (b) all adjustments to the Purchase Price that were not calculated as of the Closing Date, and (c) any corrections to any of the estimated adjustments contained in the Preliminary Report, together with appropriate documents substantiating the calculations, determinations and adjustments proposed in the Final Report. Any resulting payment shall be made to the Party entitled thereto within ten (10) days after the Final Report has been given to Seller. In the event of any disputes between the Parties as to adjustments in the Final Report, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by the Bankruptcy Court. The Bankruptcy Court's resolution of the dispute shall be final and binding on the Parties, and a judgment may be entered thereon in the Bankruptcy Court. The fees and expenses of the successful Party shall be paid by the unsuccessful Party.

**ARTICLE 3**  
**BANKRUPTCY COURT APPROVAL AND FCC CONSENT**

**3.1 Bankruptcy Court Approval.** Within ten (10) business days after the execution of this Agreement by the Parties, Seller shall present this Agreement to the Bankruptcy Court for approval and shall diligently prosecute a request for approval thereof to conclusion by the Bankruptcy Court. Buyer shall provide to Seller such assistance and cooperation in connection with the Bankruptcy Court approval of this Agreement as may be reasonably necessary or appropriate.

**3.2 FCC Consent.** The transactions contemplated hereby are expressly conditioned on and subject to the prior consent and approval of the FCC to an application seeking consent to the assignment of the FCC Licenses from Seller to Buyer ("FCC Application") without the imposition of any conditions on the assignment of the FCC Licenses which would reasonably be expected to have a material adverse effect on the results of operations of Buyer or the Station ("FCC Consent"). No Closing shall occur prior to the Buyer's receipt of the FCC Consent.

**3.3 FCC Application.**

(a) Within ten (10) business days after the Effective Date, each Party shall prepare, execute and submit its respective portion of the FCC Application and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such FCC Application. Each Party further agrees expeditiously to prepare amendments to the FCC Application whenever such amendments are required by the FCC or its rules. Each Party shall submit its portion of the FCC Application to the FCC electronically, consistent with the FCC's procedures. The Parties shall prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Application as expeditiously as reasonably practicable (but no Party shall have any obligation to satisfy complainants or the FCC by taking any steps that would have a material adverse effect on the results of operations of a Party or any affiliated entity, unless a failure to take such action would constitute or perpetuate a breach of such Party's representations, warranties or covenants herein). Except as otherwise provided herein, each Party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the FCC Application, however, the fee to be paid to the FCC in conjunction with the filing of the FCC Application ("FCC Fee") will be shared equally by Buyer and Seller so long as Seller's share does not exceed \$555.00.

(b) Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the issuance of the FCC Consent. Each Party agrees to comply with any condition imposed on it by the FCC; provided, however, that no Party shall be required hereunder to comply with any condition that would have a material adverse effect on such Party or any affiliated entity. If reconsideration or judicial review is sought with respect to the FCC Consent, the Party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, such Party shall not be required to take any action that would have a material adverse effect on such Party or any affiliated entity.

(c) Either Party at its option may terminate this Agreement upon five (5) business days' prior written notice to the other Party, and without liability to the other Party, if the FCC has not granted the FCC Application by the twelve (12) month anniversary of the Effective Date, provided that the failure to obtain the FCC Consent shall not have been due to the action or inaction of the Party seeking to exercise such termination right. In addition, either Party may at its option terminate this Agreement upon five (5) business days' prior written notice to the other Party in the event that the FCC should designate a hearing regarding the transaction proposed herein, and such termination shall be without liability to the other Party unless the designation of such hearing is the result of the breach of any representation, warranty or covenant contained herein by the terminating Party. In the event of termination pursuant to this **Section 3.3(c)**, each Party shall bear its own expenses. Nothing in this **Section 3.3(c)** shall be construed to limit a Party's right to terminate this Agreement pursuant to Article 11 hereof.

#### **ARTICLE 4 CLOSING**

**4.1 Closing Date.** Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein ("Closing" and the date on which such Closing is held, "Closing Date") shall occur within ten (10) business days after the date on which the FCC Consent shall have become a "Final Order," provided all conditions precedent to the obligations of Buyer and Seller have been met or waived in writing. All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed. For purposes of this Agreement, the term "Final Order" shall mean an order of the Commission (including action duly taken by the Commission's staff, pursuant to delegated authority) which is not reversed, stayed, enjoined or set aside, and with respect to which no timely application or petition for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition, or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative has expired. Buyer and Seller may mutually agree to waive the condition that the FCC Consent shall have become a Final Order, and instead may elect to proceed to a Closing on a mutually-agreeable date after the date of the FCC Consent.

**4.2 Closing Location.** The Closing shall be held at the location of the Escrow Agent, or at such other location as shall be mutually agreed upon by Seller and Buyer. At the election of Buyer and Seller, mutually agreed in writing, the Closing may be performed by mail, electronically (*i.e.*, via e-mail and/or telephonic facsimile) and/or courier service.

#### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF SELLER**

This transaction involves the Chapter 7 bankruptcy estate of the majority owner of Seller, Lyle P. Campbell. As a result, the Chapter 7 Trustee, David M. Reaves, solely in his capacity as Chapter 7 Trustee, is the authorized signor for Seller. The Chapter 7 Trustee has not had any role in the day-to-day affairs or management of the Station, nor does he have specific information regarding the affairs, management, assets and liabilities of the Station. As a result, the representations and warranties of Seller contained herein are only made to the Chapter 7 Trustee's

actual knowledge without any duty to investigate or otherwise confirm the accuracy thereof. Buyer acknowledges and agrees to this limitation on all of the representations and warranties of Seller set forth in this Article 5 and all other representations and warranties of Seller set forth in this Agreement. Buyer further acknowledges that Buyer will conduct an investigation of all matters of concern to Buyer such that Buyer can independently determine, separate and apart from any representations and warranties of Seller, whether to complete the purchase of the Assets. Accordingly, subject to the preceding limitations, Seller represents and warrants to Buyer the following, as of the Effective Date and on each day until the completion of the Closing:

**5.1 Organization and Qualification.** Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction in which the Assets are located.

**5.2 Authority.**

(a) Subject to and conditioned upon Bankruptcy Court approval, Seller has all necessary power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Seller (collectively, "Seller Documents"), to perform each of its obligations thereunder, and to consummate the transactions contemplated thereby. The person executing this Agreement on behalf of Seller has been duly authorized by order of the Bankruptcy Court to sign on behalf of Seller. Each of the Seller Documents has been, or at or prior to the Closing will be, as the case may be, duly executed and delivered by Seller and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Seller, enforceable against Seller in accordance with its respective terms provided that all actions of the Trustee must be approved by the Bankruptcy Court to be valid, binding and enforceable.

(b) The execution and delivery by Seller of the Seller Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of Seller's organizational documents; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any contract, or any other material agreement, indenture, covenant, instrument, license or permit by which Seller is bound; (iii) create any Lien upon any of the Assets; or (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Seller or any of the Assets.

**5.3 FCC Licenses.**

(a) Schedule 1.1(a) hereto contains a true and complete list of the FCC Licenses (which Schedule shall be updated as of the Closing Date, and the following representations of **Section 5.3** shall then apply to all such FCC Licenses). Seller is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect, unimpaired by any act or omission of Seller. The FCC Licenses are all of the licenses, permits or other authorizations issued by the FCC necessary to operate the Station in the manner as such operations currently are conducted and there are no conditions upon the FCC Licenses except those conditions stated thereon or generally

applicable to broadcast stations comparable to the Station. No proceedings are pending or threatened (other than proceedings applicable to the radio industry as a whole) nor do any facts exist which may reasonably result in the revocation, materially adverse modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending material applications related to the FCC Licenses, or, in any material respect, the issuance of any cease and desist order related to the FCC Licenses, the imposition of any administrative actions by the FCC with respect to the FCC Licenses or which as of the Closing Date may affect Buyer's ability to operate the Station in accordance with the provisions of the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated thereunder (collectively, "Communications Laws"). No facts, events or circumstances exist or have occurred with respect to Seller or the Station that would reasonably be likely to cause the FCC not to renew the FCC Licenses in the ordinary course and without undue delay, adverse condition or modification. Seller is not delinquent on any fees owed to the FCC and its status under the FCC's "red light" system is "green."

(b) Except as disclosed on Schedule 1.1(a) hereof, the Station is operating in material compliance with the FCC Licenses and the Communications Laws. Seller has filed with the FCC all material reports or applications with respect to the FCC Licenses and the Station.

**5.4 Qualification.** There is no fact that would, under present law, including the Communications Laws: (a) disqualify Seller from being the assignor of the Assets or owner of the Station; (b) reasonably be expected to cause any delay in the processing of the FCC Application by the FCC; or (c) reasonably be expected to cause any delay to the issuance of the FCC Consent. Should Seller become aware of any such fact, it will so inform Buyer and will use its best efforts to remove any such impediment or disqualification. Seller will not take any action that Seller knows, or has reason to believe, would result in such impediment or disqualification, and will not fail to take any action that Seller knows, or has reason to believe, would avoid such impediment or disqualification.

**5.5 Tangible Personal Property.** Schedule 1.1(b) hereto contains a true and complete list of the Tangible Personal Property. Seller (i) is the owner of all of the Tangible Personal Property it purports to own, (ii) has a valid leasehold interest in the Tangible Personal Property it purports to lease, and (iii) has a valid license right (whether as a licensor or licensee) in the Tangible Personal Property it purports to license, in all cases free and clear of any Liens, except for Permitted Liens. The Tangible Personal Property shall be sold in "as is" condition.

**5.6 Contracts.** Schedule 1.1(c) hereto contains a true and complete list of all Assumed Contracts. The Assumed Contracts requiring the consent of a third party to assignment are identified on Schedule 1.1(c) and:

(a) Seller is not currently in violation or breach of, nor has Seller received in writing any claim or threat that it currently is in breach of any of the terms and conditions of, any Assumed Contract;

(b) Seller is not in arrears under any Assumed Contract and has performed its obligations under each of the Assumed Contracts in all material respects, and Seller is not in material default thereunder and no other party to any of the Assumed Contracts is in default thereunder in any material respect;



(c) each Assumed Contract is in effect and is binding upon Seller and the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally);

(d) except as set forth on Schedule 1.1(c), neither Seller nor the Station is a party to or bound by any agreement, contract or commitment which is material to the Station that obligates it to provide advertising time on the Station on or after the Closing Date as a result of the failure of the Station to satisfy specified ratings or any other performance criteria, guarantee or similar representation or warranty;

(e) all real property associated with leases that are Assumed Contracts ("Property") and Seller's activities and operations on the Property are in material compliance with all applicable environmental laws and regulations and zoning, building and other laws and regulations of all governmental authorities having jurisdiction thereof;

(f) the buildings and fixtures used in the operation of the Station on the Property are suitable for their intended use as currently used by Seller;

(g) all utilities necessary for Seller's use of the Property are installed and in working order and are subject to valid easements; and

(h) no condemnation proceedings have been instituted or threatened against the Property.

**5.7 Employee and Labor Relations.** Seller is not a party to any contract with any labor organization, nor has Seller agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees. Seller has not violated any applicable federal or state law or regulation relating to labor or labor practices.

**5.8 Litigation.** (a) Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Station or the Assets other than the litigation in the Bankruptcy Case; (b) there is no third party claim, litigation, proceeding or investigation pending or threatened against Seller with respect to the Station in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes; (c) there is no third party claim, litigation, proceeding or investigation pending or threatened against Seller with respect to the Station, which is reasonably likely to have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Station or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

**5.9 No Other Agreements to Sell the Station; No Undisclosed Liabilities.** Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto. There are no liabilities or obligations of Seller with respect to the Station that will be binding upon Buyer after the Adjustment Time, other than the Assumed Liabilities. Provided, however, that the Trustee's actions and agreements are subject to and conditioned upon Bankruptcy Court approval.

**5.10 Seller Broker.** Other than Kalil & Co., Inc., the broker whose fee Seller shall be solely responsible to pay at or after the Closing, there is no broker, finder or other person or entity (collectively, "Seller Broker") who would have any valid claim through Seller against any of the Parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller. Seller agrees to indemnify Buyer for all costs incurred by Buyer arising from any Seller Broker claim reasonably related to the transactions contemplated by this Agreement.

**5.11 Intellectual Property.** Seller has sufficient right, title and interest in and to all trademarks, service marks, trade names, copyrights, domain names and all other intangible property included in the Assets. Schedule 1.1(d) contains a description of all material Intangible Property used exclusively in the operation of the Station. Within the past three (3) years, Seller has not received written notice of any claim that any such Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party and there is no basis for any such claim of conflict. No such Intangible Property is the subject of any pending or threatened legal proceedings claiming infringement or unauthorized use by Seller.

**5.12 Taxes.** (a) Seller has paid all taxes required to be paid with respect to the Station; (b) there are no pending or threatened, investigations or claims against Seller for or relating to any liability in respect of taxes and no facts or circumstances exist which indicate that any such investigations or claims in respect of taxes may be brought or are under discussion with any governmental authorities; and (c) all taxes required to be withheld by Seller on or before the Effective Date have been withheld and paid when due to the appropriate agency or authority.

**5.13 Bankruptcy.** Other than the Bankruptcy Case: (a) no insolvency proceedings in the nature of bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, by or against Seller or the Assets, are pending or threatened; and (b) Seller has not made any assignment for the benefit of creditors or taken any action in contemplation or in furtherance of the institution of such insolvency proceedings.

**5.14 Insurance.** Seller maintains insurance policies with respect to the Station and the Assets in commercially reasonable amounts.

**5.15 Title; Liens.** Other than as set forth on Schedule 1.4, Seller has good, valid and marketable title to all of the Assets. Schedule 1.4 sets forth a description of the Liens of which Seller is aware and which will be released on or prior to the Closing Date.

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller the following, as of the Effective Date and on each day until the completion of the Closing:

**6.1 Organization, Standing and Power.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has the necessary power to carry on its business as it is now being conducted.

## 6.2 Authority.

(a) Buyer has all necessary power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Buyer (collectively, "Buyer Documents"), to perform its obligations thereunder and to consummate the transactions contemplated thereby, and the person executing this Agreement on behalf of Buyer has been duly authorized by all requisite corporate action of Buyer. Each of the Buyer Documents has been, or will be at the Closing, as the case may be, duly executed and delivered by Buyer and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms.

(b) The execution and delivery by Buyer of the Buyer Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the Buyer's organizational documents; (ii) constitute or result in a breach or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any contract, or any other material agreement, indenture, covenant, instrument, license or permit by which Buyer is bound; or (iii) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Buyer.

(c) Other than the FCC Consent, no consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of any of the Buyer Documents by Buyer or the consummation by Buyer of the transactions contemplated thereby, except filings with the FCC.

**6.3 Litigation.** Except for administrative rule makings or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint before the FCC, other governmental body or court of any nature, including, without limitation, a grievance, arbitration or insolvency or bankruptcy proceeding, pending or, to Buyer's knowledge, threatened against or affecting Buyer which would restrain or enjoin the Closing or the consummation of the transactions contemplated hereby.

**6.4 Qualification.** To Buyer's knowledge, there is no fact that would, under present law, including the Communications Laws: (a) disqualify Buyer from being the assignee of the Assets or owner of the Station; (b) reasonably be expected to cause any delay in the processing of the FCC Application by the FCC; or (c) reasonably be expected to cause any delay to the issuance of the FCC Consent. Should Buyer become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such impediment or disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such impediment or disqualification, and will not fail to take any action that Buyer knows, or has reason to believe, would avoid such impediment or disqualification.

**6.5 No Insolvency/No Financing Contingency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer are pending or, to the knowledge of Buyer, threatened, and Buyer has made no assignment for the benefit of creditors,

nor taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings. As of the Closing Date, Buyer will have readily available funds in the amount of the Purchase Price in the form of cash on deposit or a loan from a conventional lender.

**6.6 Buyer Broker.** There is no broker, finder or other person or entity (collectively, “Buyer Broker”) who would have any valid claim through Buyer against any of the Parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Buyer. Buyer agrees to fully indemnify Seller for any and all damages, attorneys’ fees and costs incurred by Seller arising from any Buyer Broker claim resulting from Buyer’s actions or inaction.

## **ARTICLE 7 COVENANTS**

Seller and Buyer, as applicable, covenant and agree that, from the Effective Date until the completion of the Closing:

### **7.1 Operations of the Business.**

(a) Before the Closing Date, Seller shall not, without the prior written consent of Buyer:

(i) Sell, lease or transfer or agree to sell, lease or transfer, any Asset except for incidental sales or leases, in the ordinary course of business, or Assets which are being replaced by assets of comparable or superior kind, condition and value;

(ii) Make any material change in the Station’s buildings, leasehold improvements or fixtures except in the ordinary course of business;

(iii) Make or attempt to make any change in the FCC Licenses, other than to keep the FCC Licenses in full force and effect;

(iv) Enter into any material contract, lease or commitment relating to the Station or the Assets or incur any other material obligation with respect to the Station or the Assets;

(v) Take any action that would make the consummation of this transaction contrary to the Communications Laws or require a waiver of the Communications Laws; or

(vi) Authorize or permit any manager, member or employee of Seller to solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, the Station. Seller shall not, to the best of its ability, authorize or permit any investment banker, attorney, accountant or other advisor or representative retained by Seller to take any of the actions set forth in the preceding sentence. Notwithstanding the foregoing, in the event that Buyer, prior to Closing, requests or demands a reduction of the Purchase Price or a change

to any material term under this Agreement for any reason other than: (a) a material adverse change to the financial condition of the Station between February 6, 2019 and the date on which such request is made; (b) the breach of any material representation or warranty of Buyer set forth herein; or (c) a circumstance that is beyond the control of Buyer (such as a change in law or an Act of God), Seller shall be entitled to immediately negotiate with, solicit or participate in negotiations with any party regarding the sale of all or any portion of the Assets or any similar transaction with respect to the Station or any Asset. Notwithstanding any provision to the contrary set forth herein, in the event that Buyer requests or demands a reduction in the Purchase Price of three percent (3%) or more, Seller shall be entitled to immediately negotiate with, solicit or participate in negotiations with any party regarding the sale of all or any portion of the Assets or any similar transaction with respect to the Station or any Asset.

(b) Before the Closing Date, Seller shall:

(i) Maintain and preserve Seller's rights under the FCC Licenses and operate the Station in the ordinary course of business, in accordance with past practice and in all material respects in accordance with the Communications Laws and with all other applicable laws, regulations, rules and orders and good engineering practices;

(ii) Use commercially reasonable efforts to maintain the Tangible Personal Property in the ordinary course of business;

(iii) Maintain in full force and effect policies of liability and casualty insurance of the same type, character and coverage as the policies currently carried with respect to the business, operations and assets of the Station;

(iv) Use commercially reasonable efforts to provide Buyer with (and Buyer shall use commercially reasonable efforts to assist Seller to obtain) all necessary consents of the applicable parties identified on Schedule 1.1(c) and the consents of all third parties to the Assumed Contracts which are necessary for assignment to Buyer of such agreements at the Closing. All Assumed Contracts requiring consent to assignment to Buyer prior to Closing are indicated on Schedule 1.1(c) by a plus sign (+). All Assumed Contracts requiring consents to assignment to Buyer that are conditions to Buyer's obligation to close ("Required Consents") are also indicated on Schedule 1.1(c) by an asterisk (\*);

(v) Take all steps reasonably necessary to permit Buyer to complete its due diligence review of the Station within sixty (60) days following the Effective Date ("Due Diligence Period"), including but not limited to providing: (A) copies of all recent Station financial statements and/or profit and loss statements as may be reasonably requested by Buyer's third-party lender; (B) satisfactory evidence of Seller's compliance with all applicable federal, state and municipal laws and regulations relating to the Station, including without limitation, all required fee payments to the FCC, and satisfaction of all pension, environmental, labor and employment regulations; and (C) satisfactory evidence that all franchises, licenses and permits are in full force and effect, are assignable, and that all court or governmental approvals or consents necessary for consummation of the transaction contemplated hereby and for the operation of the Station have been obtained; and

(vi) Take all steps to ensure the discharge or release of all Liens prior to or as of the Closing Date, including but not limited to the Permitted Liens set forth on Schedule 1.4, but excepting all other Permitted Liens.

**7.2 Notice of Proceedings.** Either party will promptly notify the other party in writing on: (a) receiving notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

**7.3 Publicity.** Except insofar as required to comply with the Communications Laws, neither Seller nor Buyer, nor any of their respective affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless the other party shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

**7.4 Access to Information.** From the Effective Date to the Closing Date, Seller shall afford, and shall cause its managers, members, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer, reasonable access at all reasonable times to the Station, provided, however, that all such access shall require the express consent of the Seller.

**7.5 Confidentiality.**

(a) Each party shall hold, and shall exercise its commercially reasonable efforts to cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a non-confidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a non-confidential basis prior to its disclosure to such party hereunder, as evidenced by written records. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors, who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution hereof and shall continue to preserve, and shall use its reasonable efforts to cause its officers, employees, agents and representatives to continue to preserve, the confidentiality of all such information. All information concerning the Assets or operations of the Station obtained by Buyer or its affiliates pursuant to or in connection with negotiation of this Agreement will be used by Buyer and its affiliates solely for purposes

related to this Agreement and, in the case of nonpublic information, will be kept in strict confidence by Buyer and its affiliates and will not be disclosed except as provided for above.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with **Section 7.5(a)**. If such protective order or other remedy is not obtained, or if the applicable party waives compliance with **Section 7.5(a)**, the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information

**7.6 Notification of Certain Matters.** Seller shall give prompt notice to Buyer, and Buyer shall give prompt notice to Seller, of: (i) any oral or written communication from the FCC concerning the FCC Application; (ii) any material inaccuracy in any representation or warranty made by such party, or (iii) any failure of the party to comply with or satisfy any material covenant, condition or agreement to be complied with or satisfied by such party under this Agreement; provided, however, that no such notification or failure to give notice shall affect the representations or warranties or covenants or agreements of the parties or the conditions to the obligations of the parties hereunder.

**7.7 News Releases.** Any news releases pertaining to the transactions contemplated hereby shall be reviewed and approved by Buyer and Seller, or their respective representatives, and shall be reasonably acceptable to them prior to the dissemination thereof.

**7.8 Control of Station.** Between the Effective Date and the Closing Date, Buyer shall not control, manage or supervise the operation of the Station or conduct of its business, all of which shall remain the sole responsibility and under the control of Seller.

**7.9 Bulk Sales.** If required by applicable law, Seller shall comply with all applicable bulk sales notice and state tax notice statutes prior to the Closing.

**7.10 Actions.** After Closing, Buyer shall reasonably cooperate with Seller, at Seller's sole cost and expense, in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request.

**7.11 Studio Lease.** Seller and Buyer acknowledge that the current studio lease listed on Schedule 1.1(c) expires on September 30, 2019. Seller and Buyer shall reasonably cooperate in attempting to obtain a short term extension of the current studio lease. In addition, Seller and Buyer shall reasonably cooperate from the Effective Date through the Closing in attempting to obtain a new studio lease on terms that are generally acceptable to Seller and Buyer; however, Seller is not required to or prevented from entering into a new studio lease prior to Bankruptcy

Court approval of this Agreement. Notwithstanding anything to the contrary stated herein, Seller may negotiate a new studio lease at any time on terms that are acceptable to Seller. In the event a new studio lease is negotiated, it shall be added to Schedule 1.1(c) and provided to Buyer, who shall have five (5) business days to approve such lease. In the event that Buyer does not approve such lease within five (5) business days, Seller shall have ten (10) business days from Seller's receipt of Buyer's rejection of such lease to terminate this Agreement (with Buyer to receive a refund of the Earnest Money) or Seller may elect to proceed under this Agreement.

## **ARTICLE 8 CONDITIONS**

**8.1 Conditions Precedent to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects from the Effective Date until the completion of the Closing, except in respect of such changes as are contemplated or permitted by this Agreement;

(b) Seller shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with by Seller prior to the Closing;

(c) No governmental or judicial authority shall have enacted, enforced, issued or entered any law, rule, regulation or order, including in connection with any action or proceeding brought by a third party (not subsequently dismissed, settled or otherwise terminated), which prohibits or invalidates the transactions contemplated by this Agreement or any other Seller Document or prevents, limits, restricts or impairs the ownership, use or operation of the Assets by Buyer, other than an action or proceeding instituted by Buyer;

(d) Seller shall provide a certificate certifying that, to the best of the authorized signor's actual knowledge, (1) Seller has complied with all material applicable federal, state and municipal laws and regulations relating to the Station, including without limitation, all required fee payments to the FCC; (2) Seller has complied with all applicable pension, environmental, labor and employment regulations; and (3) that all licenses and permits are in full force and effect and are assignable;

(e) Seller shall have delivered to Buyer all of the documents required by **Section 9.1** hereof;

(f) The FCC Consent shall have been issued by the FCC without any condition materially adverse to Buyer and shall have become a Final Order;

(g) All Liens, including but not limited to the Permitted Liens set forth on Schedule 1.4, but excepting all other Permitted Liens, shall have been released or discharged, as evidenced by payoff letters from any party holding a Lien to be released at the Closing or within a reasonable time thereafter, and releases or UCC-3 termination statements sufficient to terminate



Liens on the Assets acquired at such Closing. For the avoidance of doubt, compliance with this condition must be satisfied prior to, at the Closing, or within a reasonable time thereafter at Buyer's reasonable discretion;

(h) All Required Consents shall have been obtained;

(i) All Assets that are identified on any of the schedules hereto and which are material to the value or operation of the Station shall remain active and/or in place and shall not be substantially damaged, in each case as determined by Buyer in its sole reasonable discretion; and

(j) The Station shall be operating with at least eighty five percent (85%) of its licensed effective radiated power.

**8.2 Conditions Precedent to Obligations of Seller.** The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Seller shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects from the Effective Date until the completion of the Closing, except in respect of such changes as are contemplated or permitted by this Agreement;

(b) Buyer shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with by it prior to the Closing;

(c) No governmental or judicial authority shall have enacted, enforced, issued or entered any law, rule, regulation or order, including in connection with any action or proceeding brought by a third party, (not subsequently dismissed, settled, or otherwise terminated) which prohibits or invalidates the transactions contemplated by this Agreement or any other Buyer Document, other than an action or proceeding instituted by Seller;

(d) The FCC Consent shall have been issued by the FCC without any condition materially adverse to Seller and shall have become a Final Order; and

(e) Buyer shall have delivered to Seller the documents required by **Section 9.2** hereof.

## **ARTICLE 9 CLOSING DELIVERIES**

**9.1 Seller's Deliveries.** At the Closing, Seller shall deliver or cause to be delivered the following:

(a) a Bill of Sale for the Tangible Personal Property and Intellectual Property;

(b) an Assignment and Assumption of the FCC Licenses;

- (c) an Assignment and Assumption of Contracts;
- (d) A certificate of Seller certifying that, to the best of the authorized signor's actual knowledge, the representations and warranties set forth in **Sections 8.1(a)** and **8.1(b)** are true and correct as of the Closing Date;
- (e) updated Schedules to the Agreement reflecting any changes as of the Closing Date; and
- (f) such other documents to be delivered by Seller hereunder as are reasonably necessary for Buyer to effectuate and document the transactions contemplated hereby.

**9.2 Buyer's Deliveries.** At the Closing, Buyer shall deliver or cause to be delivered the following:

- (a) an Assignment and Assumption of the FCC Licenses;
- (b) an Assignment and Assumption of Contracts;
- (c) A certificate of and officer of Buyer certifying that the representations and warranties set forth in **Sections 8.2(a)** and **8.2(b)** are true and correct as of the Closing Date;
- (d) The Purchase Price; and
- (e) such other documents to be delivered by Buyer hereunder as are reasonably necessary for Seller to effectuate and document the transactions contemplated hereby.

## **ARTICLE 10 FEES AND EXPENSES**

**10.1 Expenses.** Each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation and preparation of the Agreement and the transactions contemplated thereby, except as otherwise provided herein.

**10.2 Transfer Taxes and Similar Charges; FCC Fees.** Seller and Buyer shall each pay one-half of all fees for recordation, transfer, stamp and documentary taxes, and any excise, sales or use taxes imposed by reason of the transfer of the Assets in accordance with this Agreement. If any amount paid by Seller or Buyer on account of the fees and expenses pursuant to this **Section 10.2** is in excess of one-half thereof, the party that paid such excess amount shall be entitled to prompt reimbursement of such amount (plus all reasonable and documented attorneys' fees and expenses incurred in connection with enforcing this provision in the event of a dispute between Seller and Buyer, if any) from the other. Any FCC filing or grant fees imposed by any governmental authority shall be borne equally by Buyer and Seller.

## **ARTICLE 11 TERMINATION RIGHTS**

**11.1 Termination.** In addition to any termination rights provided for in other sections

of this Agreement, this Agreement may be terminated, by written notice given by any party (provided such party is not then in material breach of any of its representations, warranties, covenants or duties hereunder) to the other party hereto, at any time prior to the Closing Date as follows:

- (a) By mutual written consent of the parties;
- (b) By either Buyer or Seller if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;
- (c) By either Buyer or Seller, as specifically provided in **Section 3.3(c)** hereof;
- (d) By Buyer, if Seller fails to perform in any material respect or materially breaches any of its material representations, warranties, covenants or duties under this Agreement, and Seller has not cured such failure to perform or breach within fifteen (15) days after delivery of written notice from Buyer (a "Seller's Breach"), and there also is not a Buyer's Breach (defined below) at the time of the purported termination by Buyer;
- (e) By Seller, if Buyer fails to perform in any material respect or materially breaches any of its material obligations, representations, warranties, covenants or duties under this Agreement, and Buyer has not cured such failure to perform or breach within fifteen (15) days after delivery of written notice from Seller, (a "Buyer's Breach"), and there also is not a Seller's Breach at the time of the purported termination by Seller;
- (f) By Buyer (provided it is not in default hereunder), if the conditions set forth in **Section 8.1** have not been satisfied by a date that is three (3) months from the date of the FCC Consent, provided that Buyer's right to terminate this Agreement under this **Section 11.1(f)** shall not apply if Seller's inability to fulfill all of the conditions set forth in **Section 8.1** are due to the action or inaction of Buyer;
- (g) By Seller (provided it is not in default hereunder), if the conditions set forth in **Section 8.2** have not been satisfied by a date that is three (3) months from the date of the FCC Consent, provided that Seller's right to terminate this Agreement under this **Section 11.1(g)** shall not apply if Buyer's inability to fulfill all of the conditions set forth in **Section 8.2** are due to the action or inaction of Seller;
- (h) By Buyer, if at, or prior to, the end of the Due Diligence Period, it elects not to proceed with the transaction contemplated by this Agreement; or
- (i) By Seller, upon at least ten (10) business days' written notice to Buyer, if Buyer and Seller fail to come to an agreement, after the Effective Date, on proposed changes to Schedule 1.1(c) (including additions or deletions to the list of Assumed Contracts) that Seller, in its sole reasonable discretion, determines are material.

**11.2 Effect of Termination.** Upon termination of this Agreement, neither Buyer nor Seller shall have any liability to the other party, and this Agreement in its entirety shall be deemed

null, void, and of no further force and effect. In the event of termination of this Agreement, each party shall bear its own expenses. Upon a termination of this Agreement by Seller pursuant to **Section 11.1(e)**, Seller's sole remedy for a breach by Buyer shall be to retain the Earnest Money as liquidated damages. Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

**11.3 Specific Performance as Remedy for Seller's Breach.** Seller acknowledges and agrees that the Assets are unique assets not readily available on the open market, and in the event Seller shall fail to perform its obligations to consummate the transactions contemplated hereby, Seller acknowledges that money damages alone cannot adequately compensate Buyer for its injury and therefore Buyer shall be entitled to the remedy of specific performance, as an alternative to any other remedies it may seek at law or at equity. If an action for specific performance is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and the prevailing party in litigation before the Bankruptcy Court shall be entitled to receive from the non-prevailing party all court costs, attorneys' fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this provision.

## **ARTICLE 12 MISCELLANEOUS PROVISIONS**

**12.1 Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets. In the event that any Asset suffers damage prior to the Closing Date and such Asset is not repaired or replaced by Seller prior to the Closing Date, Buyer shall have the option to consummate this transaction on the Closing Date and Seller shall assign to Buyer all proceeds of insurance it receives covering the damaged Asset(s).

**12.2 Assignment.** This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Buyer and Seller and their respective proper successors and assigns. This Agreement (and any rights, obligations or liabilities hereunder) may not be assigned or delegated in whole or in part by any party without the prior written consent of the other party; provided, however, that Buyer may assign its rights under this Agreement to an entity wholly owned by Buyer.

**12.3 Headings.** The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

**12.4 Governing Law; Jurisdiction; Venue.** This Agreement and the rights of the parties hereto shall be governed, construed and interpreted in accordance with the internal laws of the State of Arizona, without giving effect to the choice of law principles thereof. Jurisdiction and venue for any action arising from or in relation to this Agreement or any provision hereof shall be exclusively in the Bankruptcy Court and each party hereby submits to the jurisdiction of and venue in the Bankruptcy Court as the agreed exclusive jurisdiction and venue for any such action.

**12.5 Amendment.** This Agreement may not be amended except by an instrument in

writing signed by of each of the Parties hereto.

**12.6 Severability.** In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

**12.7 Neutral Construction.** The language used in this Agreement will be deemed to be language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

**12.8 Further Assurances.** After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

**12.9 Notices.** Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing. Assuming that the contents of a notice meet the requirements of the specific section of this Agreement which mandates the giving of that notice, a notice shall be validly given or made to another party if served personally, transmitted by facsimile or electronic mail, or sent by overnight courier service, if addressed to the applicable party and copied to the appropriate person as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service upon the recipient. If such notice, demand or other communication is delivered by FedEx (Federal Express), or any other nationally recognized overnight delivery service, service shall be conclusively deemed given at the time of delivery to the recipient. If such notice, demand or other communication is dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch), or sent by electronic mail (with such notice, demand or other communication attached in Portable Document Format (PDF)), provided that no automatic response relating to the addressee's absence is received and that such notice is also sent by regular and certified mail, return receipt requested, service shall be conclusively deemed given two (2) business days after the dispatch and mailing of the notice, demand or other communication.

If to Buyer:                      Futures and Options, Inc.  
    103 Mainsail Circle  
    Jupiter, Florida 33477  
    Attn: William Brady, President  
    Wjbrady1@aol.com

With a copy to:                    Mark Denbo, Esq.  
    Smithwick & Belendiuk, P.C.  
    5028 Wisconsin Avenue, N.W., Suite 301  
    Washington, DC 20016

mdenbo@fccworld.com

If to Seller: Premier Radio Stations, LLC  
c/o David M. Reaves (Trustee)  
2999 N. 44<sup>th</sup> Street, Suite 515  
Phoenix, Arizona 85018  
dreaves@reaves-law.com

With copy to: Alan R. Costello  
Costello Law Firm  
2999 N. 44<sup>th</sup> Street, Suite 515  
Phoenix, Arizona 85018  
acostello@costello-law.com

Any party hereto may change its or his address for the purpose of receiving notices, demands and other communications as herein provided, by a written notice given in the aforesaid manner to the other parties hereto. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in the State of Arizona, the last day for such notification, communication or action shall be extended to the first date thereafter which is not a Saturday, Sunday or such legal holiday.

**12.10 Entire Agreement.** This Agreement, the Schedules attached hereto, and the ancillary documents provided for herein, constitute the entire agreement and understanding of the Parties relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein. All Schedules attached hereto or to be delivered in connection herewith are incorporated herein by this reference.

**12.11 Waivers.** No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

**12.12 No Third Party Beneficiaries.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the Parties and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

**12.13 Counterparts.** This Agreement and any ancillary document hereto may be executed in counterpart signature pages, and each such counterpart signature page shall constitute one and the same original signature page.

**12.14 Explication.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular and to the singular include the plural, references to any gender include any other gender, the part includes the whole, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this

Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Article, section, subsection, clause, schedule and schedule references are to this Agreement, unless otherwise specified. Any reference in or to this Agreement or any of the ancillary agreements includes any and all permitted alterations, amendments, changes, extensions, modifications, renewals, or supplements thereto or thereof, as applicable.

**12.15 Bankruptcy Court Approval.** This Agreement is conditioned upon and subject to the approval of the Bankruptcy Court, and is effective and enforceable only if approved by the Bankruptcy Court.

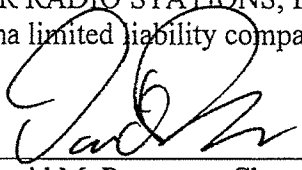
**[Signature Pages Follow]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**SELLER**

PREMIER RADIO STATIONS, LLC,  
an Arizona limited liability company

By:



*David M. Reaves, Trustee*

David M. Reaves as Chapter 7 Trustee  
for the Bankruptcy Estate of Lyle P.  
Campbell

Its: Authorized Signer

**BUYER**

FUTURES AND OPTIONS, INC. a  
Florida corporation

By:

\_\_\_\_\_  
William J. Brady

Its: President



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

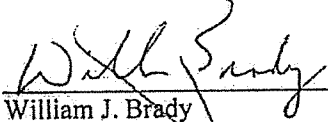
SELLER

PREMIER RADIO STATIONS, LLC,  
an Arizona limited liability company

By: \_\_\_\_\_  
David M. Reaves as Chapter 7 Trustee  
for the Bankruptcy Estate of Lyle P.  
Campbell  
Its: Authorized Signer

BUYER

FUTURES AND OPTIONS, INC. a  
Florida corporation

By:   
William J. Brady  
Its: President

**Schedule 1.1(a)**  
**FCC Licenses**

KFNX(AM), Cave Creek, AZ (FCC Facility ID No. 9421)  
Main Station License (FCC File No. BL-19970613AV)